

Third Package Consultation Team
Department of Energy and Climate Change
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19th October 2010

By email: third.package@decc.gsi.gov.uk

Dear Sirs

SUBJECT: Third Energy Package Consultation

Please find below, Total Gas & Power's (TGP) response to your consultation on the Third Energy Package.

Chapter 1, Question 2

In respect of the requirement to switch customers within three weeks, subject to contractual terms, we propose to put in place a new Licence Condition requiring the new supplier to give new customers a 14 calendar day period after the contract has been entered into, to consider whether they wish to proceed with this. Unless the customer notifies the supplier they do not wish to proceed, the Licence Condition will require the new supplier to give customers the right to change their mind within 14 calendar days and then be switched within three weeks, subject to outstanding debt (and, in the case of non-domestic customers, contractual conditions). Do consultees agree with this proposal?

We note that in section 1.16 of the consultation indicates that the introduction of a 14 day cool off period will be limited to the Domestic Sector. We have been made aware in subsequent presentations that this will also include the Industrial and Commercial Sector. There therefore needs to be some clarity on which sectors this change to the license will affect. **On the basis that it will affect the Industrial and Commercial Sector, TGP do not agree with this proposal.**

The gas and power markets can be extremely volatile and therefore, for fixed price contracts, it is extremely important that the period between the customer confirming its acceptance to purchase and the point at which we buy from the market is minimised. Introducing a 14 day cooling off period significantly increases this period and therefore the risk which would ultimately result in higher premiums being set to the customer. We do not believe that this is desirable for the Customer or the Supplier.

Yours faithfully

[Redacted signature]